

The Nassau Pact *The Editors*

THE NEW REPUBLIC

January 5, 1963, 35 cents

Steel's Long, Deep Sleep

Frank C. Porter

On Dwight Macdonald

Richard Gilman

Merging the Airlines

Richard J. Barber

Freud on Film

Stanley Kauffmann

4 APR 11-12
OF VERMONT

T.R.B.

from
Washington

Is Congress Obsolete?

★ France is moving toward authoritarianism because its legislature didn't function. Will that ever happen in the US? Congress meets January 9 and the time has come to say some blunt words about the way we are governed.

With tremendous issues facing the new Congress, any detailed study by an objective observer shows that it is uncreative and negative. It is also undisciplined, disorganized, old-fashioned and lazy; it is run by old men, tangled in unnecessary details, and it is smug, pompously self-righteous and—in a subtle kind of way—corrupt.

But, it is said, Congress isn't supposed to be efficient; it is put there to watch the President and if it does that it is all right. The point is that Congress is reaching a point of low esteem where even its capacity to perform its most elemental function is threatened; Congress cannot serve as the balance wheel of the White House if the public laughs at it. The inefficiency of Congress is not new; what is new is the greater demands of the times. School aid is urgent; the last Congress was simply unable to function on the subject. Every other great nation has a system of public old age and health insurance; Congress can't make up its mind. There is the very gravest doubt also whether Congress, as now organized, can ever pass overall tax reform legislation. Congress is neither constructive nor responsible; it can paralyze but not create.

You would think that Congressmen paid \$22,500 plus \$2,500 tax free incidentals, and \$5,000-\$10,000 other perquisites, would be money-honest. This cannot always be counted upon. Two members of the last Congress are un-

der grand jury indictment. Payrolls are notoriously padded with relatives. The public is so accustomed to Congressional junketing that it merely shrugs; even lame-duck Congressmen, men who have just been defeated and will never pass another law, girdle the globe at taxpayers' expense with an accounting system so rigged by their buddies in the Congressional "club" that newspapers can't get the facts.

It has to be a really gaudy junket, like Adam Clayton Powell (D, NY) taking off for Paris with a couple of pretty secretaries, to get public attention. Powell will be back as usual, January 9, as chairman of the key House Education and Labor Committee.

But most Congressional corruption is more subtle than this. Watch Congress forcing Charles E. Wilson to sell \$2.5 millions of GM stock before granting him the privilege of accepting a pittance to be Secretary of Defense; or doing the same thing with Bob McNamara's \$1.5 million of Ford stock. And how much stock do the Congressmen own, who sit in judgment? They won't tell. Senator Bob Kerr (D, Okla.), richest man in the Senate, owns gas, oil, helium back home, stands guard over the 27.5 percent oil depletion allowance (biggest tax loophole of them all). Sell his oil stock? Nonsense!

Congressmen have business interests in radio stations back home, or in law firms whose clients deal with the government; a letter from one of these Congressmen can paralyze a Federal agency. Senator Case (R, N.J.), and the late Sen. Richard Neuberger (D, Ore.) urged Congressmen to disclose their holdings. "Ha, ha!" laughed Congress.

The point is, the public doesn't get from Congress what it has a right to expect. It is not merely conflicts of interest, it is often inability to function; a kind of Constitutional crisis.

Seniority and Senility

★ The petty, personal motivation of Congress astonishes the innocent. A Senator deprived of a peanut grading laboratory in the last Congress lashed out at other funds; two octogenarian chairmen held up all appropriation bills because they couldn't decide in whose jurisdiction to meet; Rep. Kirwin (D, Ohio) slashed key Oregon water proj-

ects because Senator Morse (D, Ore.), had the effrontery to question the need of a \$10 million Kirwan aquarium for the near bankrupt District of Columbia! How often do Congressmen vote on the simple merits of a bill, and how often as a log-rolling "swap"?

That brings me to the most glaring anomaly of all, the physical organization of Congress. It is old stuff now: the seniority system stacks committee chairmanships with conservatives; the House Rules Committee vetoes the national will; Senate Rule 22 (cloture) allows filibusters. What chance does poor Miss Democratic Process have amidst these bullies? Every maiden that passes must pay toll!

Of the seniority system, Dr. George Galloway writes, "Under these circumstances party government in Congress is virtually impossible, and the President is powerless to fulfill the pledges of the party platform." It's as simple as that, the party system can't function. Mere voters can't force a change.

The Itch to Interfere

★ Congress has an itch to run foreign affairs and without responsible party government nobody knows who is minding store. It cuts foreign aid 25 percent; it vetoes Presidential efforts to wean Tito and Poland; it authorizes billions for an airplane that the White House says is redundant; it browbeats AID executives; on junkets abroad its members cow US embassies; Senator Ellender insults whole nations. Of course Congress has a right to watch foreign affairs, but it is supposed to do it in a disciplined, responsible manner subject to national leadership! In today's dangerous world can we afford the Congress we have?

An effort will be made to tighten up the new Congress. There will be rule fights in Senate and House. Almost certainly they won't go far enough. A complete overhaul is needed. "The creaking machinery of Congress is so appallingly inadequate for modern times," wrote the late GOP Senate floor leader, Kenneth Wherry, "that free representative government is endangered."

The Supreme Court intervened to save us from malapportionment in state legislatures, but nobody can reform Congress but Congress.

The Nassau Pact

THE WEEK

3. *The Nassau Pact;*
Macmillan's Last Ditch; Trouble
in Brazil; Tshombe on the Ropes

ARTICLES

7. *Thaw in East Germany?*
by Terence Prittie
9. "Scientific" Racism
by Donald C. Simmons
11. *Airline Mergers: What Next?*
by Richard J. Barber
13. *Steel's Long, Deep Sleep*
by Frank C. Porter

DEPARTMENTS

17. Books 19. Movies 20. Architecture
23. Correspondence

THE STAFF

Gilbert A. Harrison, Editor & Publisher
Robert Evett, Books & the Arts Editor
Christopher Jencks, Associate Editor
James F. Ridgeway, Staff Writer
F. R. Ruskin, Assistant to the Publisher

Contributing Editors:

Alexander M. Bickel, Robert Brustein,
Asher Brynes, Helen Fuller, Frank Getlein,
B. H. Haggin, Morton H. Halperin,
Irving Howe, Gerald W. Johnson,
Stanley Kauffmann, Helen Hill Miller,
Michael Straight

Although the "Pact of Nassau" was announced to a ringing fanfare of trumpets as an historic landmark in the development of the Western Alliance, it seems unlikely that the Kennedy-Macmillan agreement will get more than a footnote in histories written a generation hence. Despite repeated use of the word "multilateral" to describe the proposed arrangements for controlling nuclear weapons, despite talk of "new and closer arrangements for the organization and control of strategic Western defense," and despite acceptance of the principle that "strategic defense is indivisible," it was agreed that whenever "Her Majesty's Government may decide that supreme national interests are at stake," the British Prime Minister will have the power to use or withhold Britain's nuclear forces as he, and he alone, sees fit. Clearly "supreme national interests" would always be at stake when the use of nuclear weapons was being considered. It seems to follow that what was really approved at Nassau was an independent British nuclear submarine force, which would, like the present British Bomber Command, be integrated with its American counterpart in normal circumstances, but would be used independently if the British so wish. The only change is that Anglo-American coordination would be within the NATO framework, not outside.

According to the Prime Minister, the US offer of Polaris missiles will assure that Britain remains a nuclear power. Is this likely? Improvements in Soviet air defense are expected to make British V-Bombers almost useless within two years. Development of British nuclear submarines suitable for firing the US-built Polaris is expected to take five to seven years. Meanwhile, one must anticipate further refinement in Soviet defensive capabilities, and in the interim Britain will be without any effective nuclear striking force. In the interim, too, Mr. Macmillan will almost certainly have been replaced as Prime Minister, replaced as it now seems, by the Labour Party leader, Hugh Gaitskell, who opposes an independent British nuclear effort. Even if Macmillan is succeeded by another Tory, his successor's enthusiasm for spending the \$1 billion or more required for six nuclear submarines may be slight. The Nassau agreement, then, seems more relevant to Macmillan's domestic political troubles, and his effort to curb the anti-Americanism which followed the cancellation of Skybolt, than to NATO or British military requirements.

It is unlikely that the British will ever actually buy a Polaris missile, much less use one. The same cannot be said about France. Present

French nuclear plans are, admittedly, even more of a joke than Britain's. But a more serious joke. French offensive weapons are several years behind Soviet defensive ones, and seem likely to remain that way unless the US helps out. Nevertheless, the French have talked about developing a submarine-based deterrent for the 1970's, and the US offer of Polaris missiles would enhance this ambition. At this writing there has been no public response from de Gaulle to the offer from Nassau. The French still have years of work before they can build a thermonuclear warhead suitable for use on Polaris missiles, and they also want some kind of token force, such as the Mirage bombers, for use between now and then. Still, if they want a submarine force by 1970, they will have to begin soon.

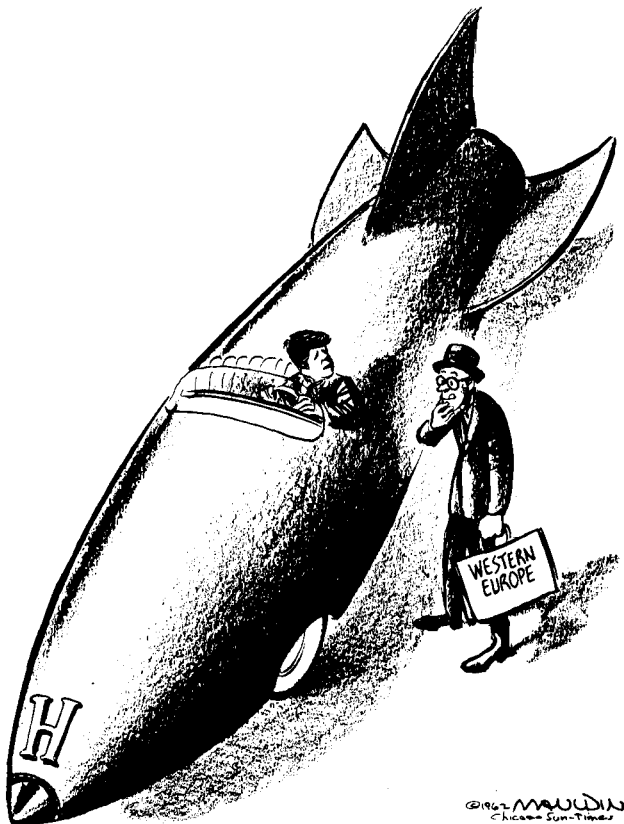
If the US does sell Polaris missiles to Britain and France, what of West Germany, which may soon claim – if it has not yet – that it has a greater need for an independent deterrent than any other NATO power. No sensible observer, even in Europe, seriously believes that the USSR would attack Britain or France without also trying to neutralize a portion of the Strategic Air Command, thereby bringing the US into the war. It is conceivable if improbable, however, that the Soviets might launch a limited attack in central Europe, perhaps in retaliation for Western military moves to defend Berlin against East German pressures. The West

Germans fear that if such an attack came, and if its objectives were plainly limited, the US might prefer to negotiate a settlement instead of responding with a nuclear strike that would signal a nuclear World War III. Can we allay this fear for long without also offering Germany its own Polaris, exempt from NATO (*i.e.* US) control when Germany's "supreme national interests" are at stake?

Although the West European Union agreements bringing Germany into NATO forbid the Germans to manufacture nuclear weapons on their own soil, these agreements may not prohibit the Germans from collaborating with the French in building nuclear submarines or from buying Polaris warheads from the French. It is this possibility which alarms some diplomats – not just because bitter memories are revived by the thought of a nuclear-armed Germany, but because they know that the Russians get panicky over the prospect of German "revanchism" and might risk war to prevent Bonn's acquiring nuclear support. The US risked war in Cuba to prevent a change in the nuclear status quo. The Soviets have far more at stake in Germany than the US had in Cuba, and a violent reaction to German nuclear arms is not inconceivable. All this may be too alarmist. But even a cautious prophet would have to admit that providing Germany with nuclear arms would exacerbate anti-Western feeling in the USSR more than anything since the U-2 overflight.

According to some, these risks can be eliminated if there is genuine multilateral control of NATO's nuclear forces. That is begging the issue. If Macmillan and Kennedy were unable to devise a multilateral control scheme in Nassau, and if other experts have been equally unable to devise one after several years of trying, what evidence is there that the task will become simpler a few years hence? There is no difficulty devising multilateral schemes for manufacturing and financing nuclear weapons and delivery vehicles, or for manning and targeting them. But how can two sovereign nations *both* decide when to use the weapons and when not to use them? Only political federation can accomplish this – and any solution would, *de facto*, be a military federation. The success of the Common Market has not yet created the communal institutions and spirit on which federation must rest; without this, "multilateralism" is little more than rhetoric.

In practical terms, the problem posed by the Nassau Pact is this: If the US keeps the bulk of its nuclear forces independent of NATO, then nobody can prevent the US from precipitating a nuclear holocaust if it chooses to. At the same time, if the US retains a veto within NATO, the Europeans will still have some reason to fear that in the crunch the US might refuse to commit nuclear suicide for the sake of its allies. The US might, of course, give up its veto, and help the Euro-



"If You Need To Ask What It Costs,
You Can't Afford It."

peans to create a truly independent force to defend themselves. But this is day-dreaming, for the Europeans distrust one another as much or more than they distrust America (and the US Congress distrusts any handing out of US nuclear know-how). Adenauer has no interest in removing Kennedy's finger from the safety catch only to find Macmillan's there instead. The British often think Americans trigger-happy, but they have no greater confidence in the Germans. And de Gaulle has no confidence in anyone.

The Nassau agreement thus falls between two stools. By stipulating that the British and French must build their own nuclear submarines, it postpones until 1968 or 1970 the day when they will have an invulnerable second-strike capability. This means that for the next few years the security of Europe from Soviet attack will depend on the US. This in turn means that the US must try to maintain sufficient nuclear forces not only to destroy vast areas of the USSR but to limit Soviet retaliation. Otherwise, a US nuclear strike in response to non-nuclear aggression will not be "credible." This means America must retain its present nuclear superiority, and all but rules out progress toward nuclear arms control. The Soviets cannot sign any agreement which commits them to nuclear inferiority. Still less can they admit inspectors to the USSR when they think US generals contemplate a first strike against the USSR in certain (unspecified) contingencies. In addition, the quest for nuclear superiority commits the US to a foreign base structure which handicaps its diplomacy, and to a \$15 billion expenditure on nuclear forces which almost precludes adequate conventional manpower, mobility and firepower.

The best way to change this situation would be to develop more powerful conventional NATO capability, with sufficient reserves to meet any conceivable non-nuclear challenge. Nuclear weapons could then be withheld from use unless the Soviets used theirs – an unlikely event given the present and foreseeable balance of nuclear power. Nevertheless, despite lip-service to conventional forces in the Nassau communique, the Europeans are unlikely to attempt such a build-up, for the very simple reason that they expect any attack on Western Europe to be nuclear, and do not expect to survive it. Their sole interest is therefore deterrence.

What we may expect is just what the US has long feared – a proliferation of independent nuclear forces, encouraging separate diplomacies and military strategies *vis-à-vis* the Soviet Union and impeding the development of mutual confidence, on which any serious venture in "interdependence" must be founded. Yet even nuclear proliferation could in theory have certain compensations. Invulnerable independent European nuclear forces could, like adequate conventional forces, eliminate the need for an American first-strike capabil-

ity. If the Europeans had their own deterrents, the US could perhaps use its nuclear forces solely to forestall a Soviet attack on the US.

The Nassau agreement does not seem designed to extort even this secondary compensation for the proliferation of nuclear weapons. It encourages the Europeans to spend huge sums on nuclear submarines, diverting resources from a conventional build-up. Yet it requires the US to maintain a first-strike posture for the next five to seven years. As so often in military matters, the compromise is likely to prove worse than either of the clearcut alternatives (full support or outright opposition to independent forces). If the Administration has really despaired of getting an adequate conventional force in Western Europe, and is prepared to sponsor independent European nuclear forces, it ought to go the whole way and ask Congress to permit sale of submarines as well as missiles, making the agreements effective in 1963 instead of 1968 or 1970.

Macmillan's Last Ditch

Nineteen sixty-three will begin with the Conservative Government in a state of disintegration. Unemployment in Britain is nearly 800,000 and still rising. Opinion pollsters report that a majority of the British people expect to be worse off in a year's time than today. Negotiations with the Common Market, on which Tory hopes for economic regeneration have hung, are still going badly. The Nassau agreement on Polaris missiles has been widely attacked.

To crown the government's misery, the morale of its own supporters is collapsing. By agreeing to let Nyasaland secede from the Central African Federation, the Deputy Prime Minister, R. A. Butler, has broken pledges given in secret to Sir Roy Welensky by earlier Conservative ministers before the Federation was set up, and has offended many Tory diehards.

If an election were held tomorrow, 150 Tory MP's would probably lose their seats. An election need not be held until October, 1964, but there is no assurance things will be different then. Many Tory back benchers think the only cure is a new Prime Minister, who would have a year to improve his party's standing. Until recently Macmillan's trump card inside his party has been the fact that few Tory MP's, however much they dislike or distrust him, would prefer to see Butler in his place. The younger men, like MacLeod, Maudling and Heath, have lost ground in recent months.

But everything is now changed by the report of a Joint Committee recommending that peers should be given the right to renounce their peerages if they wish to sit in the House of Commons. This proposal was provoked by the case of Anthony Wedgwood Benn, a

young Labour MP who was compelled to leave the House of Commons when his father, Lord Stansgate, died. But it is now seen as an opportunity for Lord Home and Lord Hailsham to return to the House of Commons, where powerful groups of Conservative MP's would like to see one or other as leader of the party. It had been assumed that Macmillan and MacLeod would protect themselves from these powerful rivals by refusing to introduce the relevant legislation in 1963. But discontent among the rank and file may now compel them to act. In this case a battle royal for leadership of the Conservative Party could begin in the New Year.

DENIS HEALEY, M.P.

Trouble in Brazil

With the Cuban situation seemingly out of the fever stage, American attention is turning to the less dramatic but vastly larger problems of Brazil. The Attorney-General's recent hasty visit with Brazil's President Joao Goulart is only the most spectacular evidence of official concern.

The short-term problem is fiscal. Prices, which have been rising between 3 and 4 percent each month for nearly a decade, went up almost 6 percent in November, and probably more than that in December. Goulart, cheerfully following the example set by his mentors Vargas and Kubitschek, has added 20,000 government employees to an already monstrous bureaucracy, decreed a month's bonus to every worker in private industry, and sponsored a 55 percent increase in minimum wages beginning January 1, 1963. This year's \$500 million government deficit is expected to triple in 1963; it will be covered by tons of new banknotes flown in from London. The unfavorable balance of payments will be \$900 million; Brazil's last reserves of gold and foreign exchange will be exhausted this month; the *crusero* has fallen in the past year from 290 to the dollar to 730, and its complete collapse seems imminent.

The nation's devil-may-care financial habits have been accompanied by the most impressive economic growth in Latin America (6-7 percent a year). In part, however, this growth has depended on US private investment, which ran at the rate of \$100 million a year between 1956 and 1960, and on such foreign largesse as the \$2 billion package of loans, grants and repayment moratoriums arranged by the Kennedy Administration in 1961. Now these sources of funds are drying up. More and more Brazilians are putting their money into stable currencies overseas. The expropriation of utilities and mining concessions in the states of Minas Gerais, Rio Grande do Sul, Espirito Santo, Pernambuco, and Parana, along with the new law limiting remittances of profit to 10 percent of registered capital, have discour-

aged further investment; Americans are now taking more capital out of Brazil than they are putting in. *Alianza* aid, except for a \$130 million program in the depressed Northeast, has been halted until Brazil puts her financial affairs in order. Furthermore, if "appropriate" action is not taken to compensate IT&T and American & Foreign Power for their properties, all aid will automatically be cut off in February. The carnival is over, and Brazil must now reckon its cost.

The long-range economic and social problems that will confront Goulart when he assumes full Presidential powers in January are equally staggering. The nation's 10 million landless farmers earn between 25 and 50 cents a day, and face starvation in a bad crop year. The statistics on land-ownership are dreadfully familiar: estates of up to 1 million acres, 80 percent of the arable land held by 2 percent of the proprietors, less than 10 percent of the farm land under cultivation, and only one-third of that growing food crops. The Northeast, where one-third of Brazil's population manages to live – or die – on an average of less than \$100 cash income, is the largest underdeveloped area in the Western Hemisphere. From two to four infants out of every ten in the northeast die before they are a year old; life expectancy is estimated at 27 to 36 years (nobody really knows). Nor are these problems solved when the rural poor come to the city, as they do by the thousands every day. Half the inhabitants of Recife, Brazil's third largest city, subsist on less than 2000 calories a day; one-third of Rio's three million inhabitants are *favelados*, living in the noisome tin-roof-and-packing-crate slums so vividly described in Caroline Maria de Jesus' diary (published in English as *Child of the Dark*).

President Goulart, despite his dazzling political skills, has never shown the understanding, ability, or will required to deal with these conditions. As Vice President under Kubitschek he took part in the wild corruption, kickbacks, and padded contracts endemic under that regime, and acquiesced in spending \$750 million on that monument to graft and grandeur, Brasilia. Goulart's own administration has continued the bad habits of its predecessors; the current budget allots 45 percent to the Army, as against only 2.6 percent for education.

Francisco Juliao's Peasant Leagues in the Northeast and the Associations of Workers in Rio and the surrounding states are growing. *Fidelista*-style politicians have been elected as Governor of Pernambuco (Miguel Arraes) and Federal Deputy from Guanabara (Leonel Brizole). Political murders, like that of Peasant League leader Joao Teixeira by landlord-hired gunmen earlier this year, are a new and alarming development. It looks increasingly as if Brazil's centuries-old endurance of suffering may soon end as Cuba's did in 1959.

What then? Caroline Maria de Jesus has a simple prescription: "When I am hungry, I want to eat one

politician, hang another, and burn a third." Revolutionary politicians will need more sophistication than this, but their task is not impossible. If the government took an active role in moving settlers from the impoverished Northeast to the fertile but empty Northwest, if it expropriated some of the large unprofitable coffee estates and turned them into family farms, if Brasilia-style graft and waste were stopped, and if rich Brazilians were prevented from sending potential development capital overseas, Brazil might have a promising future.

SAMUEL SHAPIRO

Tshombe on the Ropes

No sooner had the American military mission emplaned for its Congo inspection tour than "official sources" in Washington were portraying this trip as but one indication that the US had decided to use military force to bring Katanga back into the Congo.

The reasons for the "get tough" policy are obscure. One reason cited by officials on December 20 was the President's alleged fear that Tshombe might formally ally himself with Sir Roy Welensky and the Federation of Rhodesia and Nyasaland. Yet on December 18 the Federation's death knell had already been sounded in the British Parliament.

Another reason to act promptly, officials said, was that the Soviets were preparing to do something. Already they were at work in Leopoldville. Yet on December 21 Mr. Stevenson said at a UN press conference: "As for Soviet interference, as far as I know there isn't any whatever. I hope I am properly informed on that subject."

The extent of alleged Soviet intervention has been left somewhat vague. The Russians are known to have an embassy in Leopoldville and it houses a large staff which has been ingratiating itself with the members of the Central Government through bribery and by telling them that the US never makes good on promises. The Russians also have reportedly been suggesting to younger army officers that a few Soviet planes would end Katanga's secession immediately, whereas the UN has bobbled along without success.

This last is an embarrassing point, for the Central Government army has ceased frying people in the streets and has actually become a somewhat disciplined unit. Its leaders are pro-Western. But the younger officers are understandably vexed at having to carry out actions without air cover, while harrassed by Tshombe's 40-odd planes. The Central Government possesses no planes, and the UN has only a handful. The "official sources" in Washington said the government now was ready to send aircraft, but on completing his trip Lt. General Truman is reported to have recommended only communications equipment and vehicles.

Refusal to provide planes to the Central Government is meant to avoid a full-scale civil war. The hope is that the UN plan, if strongly pursued, would bring Tshombe to book without fighting. A mild statement of support for Congo policies was wrung out of Mr. Macmillan in Nassau. More helpfully, Mr. Spaak for the first time called Tshombe a "rebel," and the Belgians now seem determined to end the secession as quickly as possible. Most important of all, nobody cares what Sir Roy Welensky says any more. Deprived of this valued and strong friend, Tshombe's prospects look increasingly bleak.

JAMES F. RIDGEWAY

ULBRICHT TALKS NOW OF ECONOMIC PROBLEMS, NOT BERLIN

Thaw in East Germany?

Bonn

There is an old and not very original saying in Germany, that when it rains in Moscow Herr Ulbricht opens his umbrella in East Berlin. This saying explains why a great many Germans have been waiting anxiously for some change in the East German political climate since Khrushchev's discreet withdrawal from his Cuban adventure and his rift with the Chinese Communists. As a satellite dictator Ulbricht has, by common consent, been more ruthless and more rigid than his colleagues in other Communist states, and the reason for this has

been obvious – the dictators of Hungary, Rumania and the rest are oppressive rulers of national states, whereas Ulbricht is jailer as well as tyrant. He rules over a detached portion of the German people who desire to join their fellow-countrymen in the West. This is why the East German Republic must always be the last of Moscow's satellites to be touched by a Moscow thaw.

There have, at last, been some signs that Ulbricht – necessarily acting, as he always does, under Moscow's instructions – is ready to introduce at least some sem-

blance of a "softer line" in the East German Republic. The first of these signs was the publication on December 5 of a speech he made at Cottbus in which he suggested that peaceful coexistence between East and West was more possible than ever before, and that he no longer had any wish to divorce the East German from the West German state in the economic sphere (he had previously proclaimed East Germany's coming total economic independence from the Federal Republic).

At Cottbus Ulbricht said specifically that his regime no longer aimed at "Communist autarky"; instead there should be economic and technical development based on negotiation, understanding and normal relations between the two German states. In addition, he was prepared for full-scale all-German political negotiations, and although he repeated his demand for an all-German peace treaty, he named no target-date for that or for a separate East German peace treaty. And, just for once, he forbore to mention the invariable Communist demand, that West Germany should be converted into a "free" demilitarized city.

The second sign of an East German thaw came on December 16. That morning the principal Socialist Unity paper, *Neues Deutschland*, published excerpts from a major speech which Ulbricht had made at a party conference in Leipzig a few days earlier. In this speech he said that the strengthening of the East German economy would ease the broader problems connected with solving the German question. Precedence would therefore be given to economic, as opposed to political affairs.

Herr Ulbricht admitted that there had been economic failures, especially in planning and theoretical economics (at this point he interposed the idiotic "explanation" that this was due to unliquidated remnants of the "Stalin personality cult"), and he forecast greater experimentation and the borrowing, wherever necessary, of the economic experience of the West.

Now, coming as it did from such an apostle of Communist perfection, all this amounts to a startling *volte-face*. In the past, Ulbricht has always held that capitalist economies are unbalanced and backward: a year or two ago he was forecasting East Germany would overtake the Federal Republic in per capita production. In Leipzig, however, he talked of buying up capitalist patents and studying capitalist methods of production. He added that "some of the characteristics of capitalist economics" would have to be introduced into his workers and farmers paradise.

During the week which followed his Leipzig speech – and with an eye on January's full-scale Congress – Ulbricht ordered the holding of district party conferences all over East Germany. Delegates were told to concentrate on economic affairs and to give special attention to failures in agriculture and industrial pro-

duction. At one of these local conferences, Ulbricht said that his regime intended to do away with a "soulless system of administration," and announced the formation of two new advisory "bureaus," which would examine working conditions in industry and agriculture and would be affiliated to the all-powerful "Politburo" of the Socialist Unity Party.

It has to be assumed that Ulbricht is to some extent carrying out Khrushchev's orders. But there are other reasons why a softer line may have been thought advisable in East Germany at this time. Here are the most important:

There has been dissatisfaction and disaffection in the ruling Socialist Unity Party. During the last year and a half at least 13,000 party members have been ejected for "careerism" and "opportunism." The total membership of the party, at 1.6 million, is today 175,000 less than when it was formed 15 years ago. There has been a marked disinclination on the part of young people to apply for membership, and only nine percent of party members are under 25. Only one party member in four is a woman. Finally, an increasing proportion of the refugees who reach the West are today members of the party and of other Communist élite organizations.

There has been increasing dissatisfaction in the factories, and a number of minor strikes (which are illegal in East Germany). One cause has been the failure to fulfill a five-year-old promise to reduce working hours. In 1957 the Minister of Trade, Heinrich, promised a 40-hour week by 1960. Thanks to compulsory extra shifts, the average East German worker is working 52 hours a week at present. If his work falls below a level arbitrarily classified as "satisfactory" he is liable to a fine. Recently, a whole group of workers at the Rafena electronics factory near Dresden were fined 14 percent of their weekly wage. Dissatisfaction in the factories has resulted in the sickness rate jumping to an average of over six percent – which means an annual loss of around 100 million man-days.

Rising prices are another cause of unrest. The price of a man's shirt, for instance, has risen from 27 to 35 marks in the last year, that of a pair of nylon stockings from 7 marks 50 pfennings to 11 marks 50 pfennings. The prices of "luxury" foodstuffs – and even jam and honey rank as luxuries in East Germany – are up often by more than 15 percent in the last year. And there are eternal shortages of foodstuffs, with rationing of fats, meat and potatoes.

Labor unrest has, in turn, contributed to those economic failures to which Ulbricht made reference. Here are some of them: a 25 percent decline in the output of the shipyards; a monthly production of only 6,000 automobiles (compared to 230,000 a month in West Germany); only 4,000 new homes completed between January and December, 1962 (against a "target" of

110,000); an official production figure for all East Germany of only 78 billion marks, against a target figure under the seven Year Plan of 83 billion marks.

Economic failures have clearly been responsible for the continuing East-West German negotiations on a possible West German long-term loan to the DDR. These negotiations have been going on intermittently throughout 1962, and have been conducted on the West German side by the Federal Office for Interzonal Trade in Berlin, headed by Dr. Kurt Leopold. It is believed that the West Germans would be prepared to grant credits of up to 3.6 billion marks, spread over a ten year period, for the purchase of coal and other raw materials. But this would be conditional on the East Germans allowing West Berliners to go in and out of East Berlin (which they are not allowed to do at present), on East Germans being allowed to rejoin families in Western Germany, and on an East German undertaking not to require transit visas of West Germans traveling to Berlin. On December 21 the East German

Press claimed that the Ulbricht regime would not grant any "political concessions" in return for a loan. Yet there is some hope that minor relaxations may be granted when the Socialist Unity Party Congress takes place on January 15, and that the talks on a long-term West German loan may be reopened then.

It might be thought that the Soviet Union will be content with administering periodic reproof to its East German satellite for its inefficiency (and unpopularity). But the Soviet Government must be growing increasingly impatient with the Ulbricht regime. Total Soviet credits to East Germany are now estimated to have exceeded 10 billion marks (including over three billion in the last 18 months). Another 560 million marks will be required in 1963. According to West German estimates, unfulfilled East German export commitments to the Soviet Union now total around eight billion marks. How long will Khrushchev put his trust in this brutal, bungling regime?

TERENCE PRITTEE

"Scientific" Racism

by Donald C. Simmons

In my review of Carleton Putnam's book, *Race and Reason* (NR, September 10, 1962), I mentioned that the author's chief fallacies lay in *ad hominem* argument, an a-historical approach, and selective documentation of evidence in order to support his hypothesis of Negro inferiority. I said that "to delineate and rectify Putnam's many errors and half-truths would be a task equivalent to cleansing the Augean stables." After receiving a copy of my review, Mr. Putnam wrote me that it "... consists entirely of allegations with no bill of particulars, which I suppose cannot be helped when the allegations are both frivolous and irresponsible. . . . You are especially afraid to raise the one fundamental issue - the genetic inequality of the white and Negro races in those attributes which have built Western Civilization - because you know you have no case."

Subsequently, a full-page open-letter to President Kennedy from Mr. Putnam appeared in the October 3 *New York Times*, requesting that the President refrain from implementing the Supreme Court ruling on school

desegregation until he could read proof of the biological inferiority of the Negro in Professor Wesley C. George's forthcoming report to the Governor of Alabama entitled *The Biology of the Race Problem*. I am indebted to Dr. George and to Mr. Putnam for sending me proof copies of that report. After reading it, I began to understand that Mr. Putnam's *Race and Reason* is not merely an isolated absurdity but part of something rather new and widespread: an attempt to buttress Southern segregationist attitudes by the popularizing of various so-called "scientific" material.

This new "scientific" racism alleges that Negroes are both biologically and culturally inferior. In the first instance, it points out that the main biological indicia of inferiority are brain size, brain structure and intelligence scores. Cultural inferiority, it says, reveals itself in the low level of Negro achievement in Africa - for example, the African Negroes' failure to evolve a written language, the animistic quality of their religion, their lack of literature, architecture or the wheel.

Most of this is nonsense.

Within any *Homo sapiens* group there is a wide range of cranial capacities, since brain size is correlated with sex and with headshape. For example, the mean

DONALD C. SIMMONS is on the faculty of Sociology and Anthropology at the University of Connecticut.

cranial capacity of 661 Negro males who were examined was 1467 cc while the mean capacity of 182 white female skulls examined was 1339cc. So what? Should women be excluded from college because of their "smaller" brains?

As for intelligence tests, Professor Otto Klineberg of Columbia University, in a study of New York Negroes, demonstrated that average IQ varied with the length of New York residence. Binet scores of 42 cases averaged 81.4 for those who had lived in the city less than one year, while 47 Negroes who had had more than four years residence averaged 87.4. Similarly, data from the 1918 Army Alpha tests indicated that Negro recruits from Ohio made higher scores than did white recruits from all 11 Southern states. With regard to the contention that Negro-white differences on intelligence tests suggest a genetic difference, the Society for the Psychological Study of Social Issues in 1961 noted that "... the more comparable the background of white and Negro groups, the less the difference in intelligence. There is no direct evidence that supports the view that there is an innate difference between members of different racial groups."

Studies conducted since 1952 in Baltimore, Maryland, by Drs. Benjamin Pasamanick and Hilda Knobloch indicate that it is not possible to demonstrate any difference in white and Negro infant performance at 40 weeks of age. In a letter to me, Professor Pasamanick, one of America's foremost students of infant behavior, says that statistically significant differences occur between socio-economic groups *both in white and Negro samples*, at three years and after. He adds "... It is extremely difficult to postulate an innate factor which would correlate so highly with socio-economic status in both races later in life. Indeed, when the factors of health, nutrition, parental education and income are taken into account we can account for most of the variation from early performance when there are no Negro-white differences to later performance when there are."

Cultural inferiority as deduced by alleged paucity of Negro culture is an argument beloved by racists, who suffer not only from an inability to judge values and traits of others except by reference to their own as a standard, but also from an a-historical telescoping of events, making it seem as if these events had only happened yesterday. Negro Africa, it is said, never devised an alphabet. This is true, but neither did many other societies. Literate bigots in the United States write with a Phoenician alphabet. Why is this? Why don't they invent an alphabet of their own? For that matter, why don't they invent their own concept of zero as a positional number instead of borrowing it from the Arabs who borrowed it from the Hindus? The answer has nothing to do with genetics;

it has to do with cultural diffusion. The relevant question is not whether African Negroes invented an alphabet, but what they did once they realized such a thing existed. A West Coast African named Doalu Bukele around 1814 did the same thing for which Sequoia, the famous Cherokee half-breed, received so much fame: he invented a syllabary for his native language.

Africans were quick to learn from traders and missionaries the value of writing, and those who ask why they didn't learn sooner might recall that mass literacy is a fairly recent phenomenon, even in Europe. In 1839 one-third of the men and one-half of the women in England could not read or write; the illiteracy rate of Belgium was 51 percent in 1840.

As for all African societies being "animistic," the Efik of Nigeria call the deity *Abasi*, using synonyms *Obot* "Creator" and *Ete Nnyin Abasi* "Our Father God," and believe that He dwells somewhere in the sky, represents boundless goodness and discourages evil and injustice. Complex beliefs about reincarnation also occur among the Efik. Missionaries were surprised to find that they had one day of their eight day week which they regarded as sacred to God and on which no washing of clothes, marketing, fishing, hunting or drumming was permitted. Monotheistic high god concepts are widespread in Africa.

A country in which citizens put ikons on their dashboards, a country in which the Anglo-Saxon hill tribes of Kentucky show their religious fervor by fondling snakes, should have second-thoughts about calling others animistic.

As a prime example of Mr. Putnam's seizing on statements in anthropology books and drawing faulty inferences, consider his recent brochure *Evolution and Race: New Evidence*. Mr. Putnam there claims that Negroes lagged 200,000 years behind whites in the use of fire. What is the basis of his claim? He found that Professor Carleton Coon of the University of Pennsylvania in his book *The Origin of Races* (Alfred Knopf, 1962) asserts that the oldest remains of fire yet found in Negro Africa are only 40,000 years old, although fire was known in China and in England over 250,000 years ago. No other anthropologist has yet seen fit to agree with Dr. Coon on this point. I am unconvinced by his data. I suspect future archeological exploration will prove that his tentative conclusions are erroneous. But Mr. Putnam treats this speculation as if it were acknowledged by all anthropologists.

There just isn't evidence to prove any of the groups now comprising *Homo sapiens* are incapable of learning new culture patterns, traits, or customs associated with modern, complex, industrialized societies. There are definite genetic differences (e.g., skin color), but these have not yet been demonstrated to affect behavior or ability to learn.

Airline Mergers: What Next?

by Richard J. Barber

With the announcement on November 27 of the hearing examiner's recommendation that the merger application of American Airlines and Eastern Air Lines be denied, round one of what promises to be a lengthy bout ended. But several more rounds lie ahead and the final disposition of this controversial matter is still very much in doubt. The Civil Aeronautics Board (CAB) will next decide whether to accept Examiner Ralph Wiser's report, and ultimately the President must also grant his approval since some international routes are involved. Indeed, if American and Eastern are permitted to merge we can expect several other similar applications to be submitted promptly. One already under consideration is TWA and Pan American.

Few close observers of the CAB would be surprised if it now approved the American-Eastern application, disregarding the examiner's well-documented conclusions that to permit these two giant carriers to merge would "result in creating a monopoly" and lead to "an overwhelming concentration of resources and power" which would enable them "to dominate the Nation's domestic air transport industry." The Board is so prone to disagree with its hearing examiners that the filing of a recommended opinion is widely viewed as little more than a formality. The real battle comes when the Board itself must reach a verdict.

American's and Eastern's chances of victory are particularly encouraging in light of the Board's make-up. Of its five members the two Republicans and two of the three Democrats were originally named during the preceding Administration. President Kennedy has reappointed one member to the Board, named a new member, and designated a holdover, Alan S. Boyd, as Chairman and selected him for a full six-year term. Based on their past votes it is entirely possible that at least three of the five members may approve the contemplated merger, in spite of its many objectionable features and over the protests of not only the examiner and the Board's own Bureau of Economic Regulation but also the Department of Justice and the President's Inter-Agency Committee on Transport Mergers. One of

the majority might well be Chairman Boyd for during the last year and a half he has been striving energetically to stimulate consolidations and has all but formally invited the airlines to begin negotiations and file their merger applications.

Chairman Boyd apparently has been persuaded by industry spokesmen that the airlines are in serious financial trouble, through no fault of their own, and can only be saved through prompt outside intervention. Officials of the larger carriers trace their financial distress to "excessive" competition, generated by what they regard as unwarranted route awards made by the CAB during the last seven years. To place the airlines in reasonably sound condition, in this view, hence calls for curtailment of competition by allowing a number of mergers, starting with American and Eastern. Approval of such a consolidation, the argument goes, will help the airlines and yet not injure the public.

In their effort to document the industry's supposedly dire financial condition the proponents of mergers point out that the trunk airlines lost nearly \$35 million in 1961 and made only \$68,000 in 1960. Isn't that proof enough, they ask? It isn't if you take a careful look at the data. For one thing it is erroneous to speak of the 11 companies as a single group. In 1961 seven of them made money. Losses were sustained by TWA (with most of its \$15 million deficit arising from its overseas operations), Eastern (at the end of 1961 its working capital still amounted to nearly \$19 million), Northeast (on the verge of bankruptcy for so long that its most recent experience marks no change in events), and National (which went into the black in the last half of 1961 and is now doing so well that the price of its stock has doubled this year).

Reported net profits for the airline industry (as for the business community generally) reflect a substantial amount of non-cash deductions which depress earnings in a seriously misleading fashion. In 1961, for instance, Eastern Air Lines reported a loss of \$2.97 per common share; but its "cash flow" (the sum of depreciation and retained earnings) per share was \$13.60. It is no accident that large New York banks have loaned Eastern \$80 million recently at near-prime commercial rates.

In addition, while the airlines' 1960-61 financial showing is something less than satisfying, conditions of the past few years were atypical and do not necessarily provide a useful guide to future industry performance. For one thing, since 1957 we have had two sharp reces-

RICHARD J. BARBER is Assistant Professor of Law at Southern Methodist University and was formerly with the staff of the Joint Economic Committee of Congress. His article on "Airline Mergers, Monopoly, and the CAB" appeared in the September issue of the *Journal of Air Law and Commerce*.

sions, each roughly a year long. Since the airlines depend on commercial travelers for the bulk of their revenue (one study has shown that 87 percent of all passenger trips taken by plane are by those on business), one finds that between 1957 and 1961 airline passenger traffic grew by only 21 percent (and by only five percent in the last two years) as compared with 51 percent for the period 1954 to 1957. Like most everyone else in the country the airline industry has been the victim of a low rate of economic growth and of increasingly shorter periods of recovery.

The airlines, however, cannot escape considerable blame for their own plight. During the last four years fares have been increased by about 25 percent (the exact figure depends on the index used), dampening the development of passenger traffic just at a time when the introduction of the jet was creating a great expansion in capacity. In some respects the fare boosts have been astounding. In 1957, for example, one could fly coach-class from New York to Los Angeles aboard a regularly scheduled DC-7 for \$99 (excluding tax). Today only jets are in use between these points on American Airlines and the fare coach-class, including the jet surcharge, is \$145.10 – an effective increase of over 45 percent! Is it any wonder that 80 percent of the American people have never flown on a commercial plane?

Nevertheless 1962 signaled substantial improvement for the airlines. Passenger traffic has increased by about ten percent; new jet plane deliveries have been fewer than in 1961; and profits have climbed markedly, promising even a stronger showing in 1963 (in the second quarter this year, for example, the 11 airlines reported an aggregate net profit of almost \$9 million).

But for American Airlines and the other advocates of mergers it is imperative to maintain the impression that the industry is seriously ill, the victim of "excessive" competition attributable to unwise CAB route awards. It is true that since 1955 the Board has authorized more airlines to provide service on routes previously the captives of one or two carriers (e.g., New York-Dallas,

Chicago-Miami, Los Angeles-San Francisco), with the result that about 28 percent of all revenue passenger miles were flown under monopoly conditions in 1960 as compared with 44 percent in 1955. Yet this change has not significantly affected the character of the industry, one in which there has been no new entry since 1938 and in which there has been a long-term decline in the number of participants. Four large carriers still account for three-fourths of all passenger traffic, just as they did 10 years ago. And along specific routes, even in the rare instances where three or more companies provide service, one or two of these lines invariably are dominant.

Together American and Eastern account for more than a third of the country's airline passenger traffic and their consolidation would mean that the Big Two (United is now number one) would account for about 60 percent. Their combined influence would be especially powerful in the northeastern part of the nation. In that region's 14 leading markets American and Eastern have recently carried 70 percent of the passengers. Along seven routes and connecting such cities as New York, Baltimore, Washington and Boston, they would have an effective monopoly if allowed to merge. Such a merger would also threaten to divert traffic from the smaller carriers, especially on the Southern Transcontinental Routes, and further distort an industry presently characterized by pronounced imbalance. A merger of American and Eastern or of other major airlines would, moreover, deny the public the significant advantages that inhere in competition, both as respect passenger fares and service and equipment innovations. As an instance, the introduction of the Eastern Air Lines shuttle between Washington and New York, offering a convenient, low-cost and highly popular service, can be attributed principally to the intensity of competition between these points. Because the number of airlines is so few the extent of competition in the industry will necessarily be limited, but it is essential to preserve at least as many independent participants as now exist in the industry.

All things considered, airline mergers offer little of real benefit to the industry and yet are sure to have serious adverse public consequences; in short, neither their utility nor desirability has been established. Accordingly, if it is to act in a manner "consistent with the public interest," its statutory mandate, the CAB should now accept its examiner's recommendation, reject the American-Eastern amalgamation, and turn its attention to other issues where it can responsibly and constructively exercise its powers. The task of industry regulations admittedly is not an easy one; but it is better to recognize its complexity than to grasp at mergers, or other apparent cure-alls, as if they would satisfy the need for a reasoned transportation policy.

COMING: *A Reappraisal*
by Samuel Shapiro of
C. Wright Mills'
"Listen Yankee"

Steel's Long, Deep Sleep

Foreign Competition May Kill Administered Prices

by Frank C. Porter

Sen. Estes Kefauver, looking like a dour schoolmaster whose pupils have fumbled a cardinal tenet of economics, could hardly believe his ears.

"It doesn't really make sense to me that you are maintaining your prices high and say that steel demand is not affected by price," he said with controlled exasperation to the witness, "and at the same time complaining that you are losing business to foreign firms who are charging less."

"My position makes sense to me, sir," said the witness, Thomas F. Patton, president of Republic Steel.

Patton was testifying before the Senate Judiciary Committee as spokesman for four steel companies which had refused to submit subpoenaed production cost data to Kefauver's Antitrust and Monopoly Subcommittee — data which Kefauver said was needed to determine whether monopoly conditions exist in steel and, if so, whether corrective legislation is called for. The Subcommittee had recommended the four firms and their top officers be cited for contempt of Congress. Now the full Committee, which had to pass on the recommendation, was listening to steel's arguments.

Whatever shortcomings lawyer Patton showed in economic theory he made up in courtroom craft. He played up to the ingrained conservatism of Southern Democrats on the Committee and to the concern of big-state Republicans for the steel firms and steelworkers in their constituencies. If the four companies were forced to reveal their production costs, he argued, foreign competitors would be able to price their products just below American costs but above their own and make further inroads in the American market. This, in turn, would throw additional thousands of United States steelworkers out of their jobs, he said.

The vivid image of more unemployment, further deterioration of the nation's balance of international payments, continued weakening of a bellwether industry and invasion of management's sacred right to confi-

dentiality of information was too much for a majority of the Committee. They voted down the contempt recommendation, ten to five.

The vote was taken last September and there the matter still stands. Thus rebuked, the Kefauver Subcommittee seems little disposed to revive it, at least for some time to come.

But even in defeat, the Tennessee Senator had been able to put the manifold difficulties of the steel industry into an entirely new and broadened perspective. Though it may have been wishful thinking, one business publication later observed that the industry appeared to have taken the lessons of the hearing to heart by seeking to whip itself into competitive trim.

For years the assumption that costs of foreign steel producers are far below those of American firms has gone virtually unchallenged. During his questioning of Patton, Kefauver for the first time raised significant doubts about this assumption. The point was crucial to the contempt proceedings because, if foreign production costs were as high or higher than in the US, then overseas producers would be unable to price their wares below American costs and knowledge of these American costs would be of no advantage to them.

Kefauver cited statistics assembled by Subcommittee economist John M. Blair, long a tack in the steel industry's shoe, which tended to show that material costs, the biggest item in producing a ton of steel, are higher in Europe. The average price of coking coal f.o.b. mine in the US in 1961, for example, was \$6.42 a ton, less than half the \$13.78 charged in the Ruhr Valley.

While the differential in iron ore costs was less pronounced, Kefauver produced a table indicating most ores delivered in Europe were somewhat more expensive than those delivered in the United States.

The Senator didn't dispute Patton's testimony that foreign employment costs are "about one-third or one-quarter of ours." But a more significant measure than employment costs (hourly wages plus fringe benefits), he said, is unit cost, or *labor costs per ton of steel*.

Europe's lower wages are substantially offset by much higher productivity in the United States, Ke-

FRANK C. PORTER is a member of The Washington Post's national bureau, specializing in economics and labor affairs. He covered the Kefauver hearings.

Kefauver contended. He introduced a table from a 1957 report by the High Authority of the European Coal and Steel Community which showed that seven ECSC plants averaged 124 tons annually per employee while seven American mills produced from 132 to 355 tons per employee. Even if higher US productivity doesn't outweigh lower European wage rates, the favorable overseas margin on labor costs is probably offset by higher material costs there, Kefauver suggested.

Patton's reaction to this line of reasoning was odd. He confessed he had no idea what European costs are: "We are competing on price with the European producers. We are not competing on cost."

If Kefauver's credulity was strained by this radical departure in economic theory – the implication that prices bear no relation to costs – he was more astonished by the steel official's professed ignorance. "I am surprised, Mr. Patton, that you are so fearful of foreign competition and so concerned about it and yet are not more knowledgeable about the costs of your foreign competition."

Despite this lack of knowledgeability, both Patton and the steel industry in general have questioned some of Kefauver's evidence. Many of the figures were too old to be pertinent today, particularly those of the ECSC report, which came before American exports fell so sharply, they said. The American plants cited were called unrepresentative and steelmen pointed out that Europe's most modern plants have been built since 1957. The industry also questioned whether ore costs actually are higher abroad.

While attacking individual points in Kefauver's presentation, however, steel spokesmen have made no concerted effort to upset his central thesis that there probably is no appreciable difference in production costs on either side of the Atlantic. They merely reiterate that they don't know what European costs are – in itself a strange admission in these days of highly-developed cost research and industrial intelligence.

In the absence of a documented rebuttal, Kefauver would seem to have scored a point in asking why American steel prices in the world market are 30 percent or more above those of our foreign competitors.

This is the nub of American steel's predicament. In 1950 the US produced 46 percent of the world's supply of steel. By 1961 this country's share had fallen to 26 percent and it is still dropping. American output of about 100 million tons annually today is the same as it was in 1950. But production in Western Europe more than doubled during the Fifties. It rose 144 percent in the Soviet bloc and nearly quintupled in Japan.

More alarmingly, the US has been unable even to hold its own market. It has been a net importer of steel for the past four years. In 1957 the American industry had an export surplus of some four million

tons; in 1962 the US imported an estimated two million tons more than it exported. Foreign firms accounted for 46 percent of all the wire nails and staples purchased in this country in the first six months of 1961, 44 percent of barbed wire, 36 percent of wire rods, 24 percent of concrete reinforcing bars, 8 percent of structural shapes, pipe and tubing. (It is often argued that American steel companies are willing to default on most of these types, which yield a low profit margin and dollar volume per ton. But overseas firms are reportedly poised for an onslaught on the American market for more lucrative items such as hot and cold rolled sheets.)

Nor has the only competition come from overseas. During the long postwar climb in steel prices, consumers increasingly turned to substitute materials such as concrete, aluminum, non-ferrous metals, plastics, glass and even paper.

The result has been increasingly lean prospects for an industry which was once one of the most prosperous in the American economy. Steel spokesmen complain about rising costs and falling profits, which dropped from 15.3 percent of investment in 1950 to 6.4 percent in 1961. The nation's three largest firms, United States Steel, Bethlehem and Republic, had to cut their dividends last year. And in the third quarter of 1962, only one of the major firms, highly-regarded Inland, covered its dividend payout with earnings. Low profit margins, in turn, underlie the vicious circle cited by steel executives: The companies say they are unable to generate the capital needed for modernization to make them more competitive.

Patton observed, that our shift from a net export balance of steel to a net import balance has involved an annual loss of six million tons production. "This means a loss of \$1.2 billion in annual sales volume, a loss of 50,000 jobs, and a loss of over \$300 million in wages for American steelworkers annually," he said.

This \$1.2 billion amounts to 60 percent or more of the nation's anticipated deficit in international payments for 1962. On this one point, at least, Patton and Kefauver seemed to agree – were the domestic steel industry to reestablish its old export position, it could singlehandedly wipe out more than half our payments deficit. The disappointing performance of the steel industry has not only sapped the strength of the economy but weakened our overseas trade potential as well.

How has the industry painted itself into such a corner and how will it get out of it?

Steel leaders have no very coherent answer except to complain about higher costs, for which they bear much of the responsibility, and about deteriorating profits.

Kefauver's answer is that there is no price competition in steel and never has been – a charge which the industry hotly denies. Steel's critics say that it can

make the same profit at various levels of production, that it prefers to keep prices up so that it can still make money when operating at 50 percent of capacity or less.

Time and again the Senator hammered away at this central thesis: If the industry lowered prices it would sell more steel, recapture foreign business, reduce the threat to domestic markets, halt the inroads made by competitive materials, operate at a higher level of capacity and thus slash unit costs. The fall in unit costs would more than offset the price cuts and companies would not only increase total profits but profit margins as well. Meanwhile, unemployment would be reduced and our balance of international payments would be somewhat improved.

Patton and the steel industry don't buy this. "There is no guarantee whatsoever," Patton says, "that if you reduce prices you're going to get more business."

Here again is the peculiar dichotomy that afflicts steel leaders. In one breath Patton avers that the domestic industry is competing with foreign producers on price. In the next he insists price cuts won't necessarily boost sales.

Much of the muddled thinking in the industry today (and among some of its critics too) stems from this ambivalence. Its roots are historic. As far back as the Thirties a Temporary National Economic Committee report established to the satisfaction of steel's friends and foes alike that steel demand was relatively inelastic, that it was not responsive to price changes. In other words, the volume of steel sold would remain fairly much the same no matter how much or how little customers had to pay for it.

This made some sense at the time. There was little challenge from competing materials. Foreign competition was inefficient and minimal. Costs were low and there was little danger that steel would price itself out of the market. And demand was determined not so much by market factors as by end uses. A good year for automobiles, refrigerators or heavy construction would mean a good year for steel regardless of its price.

These conditions still prevailed in the great boom that followed World War II. But by the mid 1950's powerful forces were at work to transform entirely the traditional climate in which the industry operated. Foreign producers, often with American loans or grants, were building up a vast and efficient steelmaking capability. Through aggressive research, marketing and pricing, manufacturers of other materials were preempting more and more of the markets formerly served by steel. Aluminum cans, paper cartons and glass containers encroached on tin cans. Reinforced concrete began displacing structural steel. Tough, lightweight plastics replaced steel in a variety of products.

Simultaneously the situation was aggravated by soaring prices. From 1946 through 1958 the Bureau of

Labor Statistics' composite index for finished steel prices rose from 41.6 percent of the 1957-59 average to 100.6 percent, an increase of 141 percent. Hourly employment costs, including fringe benefits, jumped 150 percent to the highest level for any industry except mining. Under the continued delusion that steel demand is not responsive to price, the industry was willing to pass on higher labor costs to the consumer.

Actually the figures seem to support the contention of economist Gardiner C. Means and others that the companies passed on a good deal more than the increase in wages. Unit wage costs rose from \$17 a ton in 1946 to \$27 a ton in 1958, an increase of 59 percent against the 141 percent climb in prices per ton in the same period.

At any rate, the industry's pricing theory appeared well vindicated in the great demand for consumer and producers' durable goods that followed the Korean War. Steel went on to set an all-time production peak of 117 million tons in 1955 and the industry ploughed back a good proportion of its sizable profits into a frenzied program to boost capacity. So sanguine were its hopes that it badly overshot the mark; capacity is now some 50 percent above its best annual tonnage in the past seven years.

Vast changes began to make themselves felt in the



"We sure stirred 'em up."

steel economy after 1955. The inflated postwar demand tapered off and what had been a seller's market became a buyer's market. Foreign competition appeared as an ever-increasing threat. Substitute materials laid siege to almost every sector of steel's kingdom.

But steel executives still persisted in regarding prices invulnerable to market conditions. So did a large number of government officials and private economists such as Means and John Kenneth Galbraith. Complaints that the steel industry's arbitrary or administered prices were in large part responsible for the post-Korean inflation intensified. And demands grew for some sort of government intervention in the pricing decisions of the big concentrated industries.

Price Structure Chaos

This intervention finally came last April when President Kennedy angrily denounced the move led by United States Steel to raise the price of basic steel products an average 3.5 percent. The President felt — with considerable justification — that he had been double-crossed. In persuading David J. McDonald's United Steelworkers to accept their most modest contract of the postwar era, a contract which just about everyone but the steel companies regarded as non-inflationary, he had accomplished what no White House predecessor had been able to do. If labor was willing to hold the line, he reasoned, why not management?

Ironically, the April dispute may have been an exercise in futility. Knowledgeable observers in and out of the steel industry agree that the price increase could never have stuck. Although most businessmen sided with steel against the Administration, many privately accused US Steel Chairman Roger Blough of poor timing, tactlessness and blindness to economic realities.

The basic reality is that administered prices in the steel industry, if not already dead, are dying fast. Despite recurrent pleas of industry leaders that an increase is needed, steel prices today are virtually unchanged from the 1958 level. And there has been a slow but progressive deterioration in the price structure over the past two years. Early in 1962 some steel companies actually withdrew published prices entirely because the situation became so chaotic. The Bureau of Labor Statistics finished steel price index has slipped from 101.5 percent of the 1957-59 average early in 1962 to 101.2 percent at the present time.

Steel executives like Patton still talk about the unresponsiveness of demand to price, but such statements may merely be conditioned reflex. There is evidence that privately they are pursuing a quite different line.

The sales departments of steel companies could afford until recently to be mere order-takers for a relatively unchanging line of products. In the past few

years, however, they have become earnest practitioners of the hard sell, slugging it out toe to toe in the market place with the makers of rival materials. Meantime, company laboratories have not been idle. They have devised special alloys for supersonic aircraft and space vehicles, extra-thin tinplate to compete with aluminum cans and steel siding for prefabricated homes.

Despite its pleas of poverty, the industry recently took the business community by surprise in announcing a 14 percent jump in planned spending for new plant and equipment during 1963 over already heavy outlays last year. These appropriations are not for additions to the already burdensome overcapacity; they represent a massive assault on operating costs through modernization. Although steel spokesmen contend that recapture of the overseas market would require prohibitively deep price slashes, it looks nonetheless like the industry may give it the old college try.

Meanwhile, price cutting has become more aggressive. When Kaiser Steel cut prices \$12 a ton in October, Senator Kefauver hailed the action as "the first significant price reduction of finished steel since the early Thirties" and as "a return to the old style competitive price rivalry which made America preeminent in world trade." While the cut was primarily designed to eliminate a regional premium, the company pointedly announced that it "will also materially assist in combating foreign steel imports to the West Coast."

There has been a number of other cuts recently — in stainless steel, in raw conduit pipe, in hot and cold rolled carbon sheets. As these reductions gain momentum, they could have a short-term adverse effect on already depressed profits. But if they help meet competition from substitute products and stem the tide of steel imports, they could, as Kefauver suggests, boost long-term earnings through increased volume.

Industries and their managements traditionally follow a biological cycle — growth, maturity, senescence. But unlike natural organisms, they can be rejuvenated and thus endlessly repeat the cycle. Reawakened management seems to be giving new vitality, for example, to such recently moribund industries as textiles, meat-packing and coal.

In steel, the evidence suggests that old-line leaders such as Roger Blough and Thomas Patton are having to share their influence increasingly with managers of some of the smaller and more progressive firms such as Joseph L. Block of Inland and Edgar F. Kaiser of Kaiser. And there is hope that even the industry's traditional chieftains, so often accused of an arrogant disengagement from the mainstream of American economic life, may be reassessing the very folklore by which they live.

In short, the steel industry may finally be emerging from its long, deep sleep.

BOOKS AND THE ARTS

Dwight Macdonald's Kulturkampf

by Richard Gilman

When Dwight Macdonald was publishing, editing and doing most of the writing for *Politics* during the forties, he was able to apply an intense if severely circumscribed corrective pressure to the public experience of those years. It was the falseness of the experience that he came down on – the institutional lies, the partisan deceptions, the myths without substance, the ideals that

Against the American Grain
by Dwight Macdonald
(Random House; \$6.50)

turned into the firing squad. And it was his strength that he surveyed these things from a position beyond narrow ideology, having previously ascended with "amazing speed" as he described it, through stages of liberalism, lukewarm sympathy with Communism, and fierce Trotzkyite anti-Stalinism, before arriving at the uplands of pacifistic, humanitarian Anarchy.

He was the compleat polemicist. A hound for the chink in moral armor, a terror at running down both the grosser and subtler forms of hypocrisy, cant and pretension, widely read in the relevant fields, witty, urbane, the possessor of a disarming conversational style that had the virtue of getting him the run of almost every enemy camp before his deadly purpose could be fully appreciated, he was one of those who brought about the decline of ideology in America.

Or at least the decline of ideological rhetoric. Certainly nothing was quite the same on the Left after his cold-eyed bulletins concerning the perversion of language and meaning in the name of freedom and progress. Whatever asked for deflation it was his pleasure to oblige. Has Max Lerner ever completely recovered from *Politics'* mournful announcement in 1945 that because not

all Germans would admit to having been Nazis they had "let Max down . . . they have failed him and damn near busted his big progressive heart"?

But like all polemicists, Macdonald required two conditions for sustained functioning: a cooperative *Zeitgeist* (the War was of course an unparalleled occasion of hypocrisy and intellectual affront) and the possibility of *matter-ing*. For the controversialist who is also a moralist needs to feel that he can have an effect on the way events go, that his quarrel with the world may result in its bending, however slightly, to his will. In the great postwar cloud of unknowing, the depression of the political spirit and the ebbing away of idealism, Macdonald's will came to seem to him as ineffectual as any other man's. He saw his consequent abandonment of a direct concern with politics as a personal

liberation, and no doubt it was. But the need to matter, to count somewhere, remained, and he turned, as we all know, to Culture. Seeing him there now is a cultural phenomenon in itself, and a sad, ironic epilogue to his story.

The sadness and irony lie chiefly in the fact that as he has risen in emoluments and fame he has come to matter infinitely less. Where once his voice shook a few hundred or a few thousand souls, it now travels blandly in and out of the consciousness of hundreds of thousands of persons who are not likely to be shaken by anything. Where politics offered him the opportunity to enunciate hard, important and even revelatory truths, culture has made him intellectually narrow, slack and obvious. Still witty, still urbane and a stylist, he has nevertheless become, in the first of the specific ironies that bristle in his saga, a product instead of an originator.

The other ironies follow like the children of a fecund but unfortunate union. In his present activity, Macdonald is,

Surprising Poem

I looked, and looked again. There were no people.
The people had disappeared. The people were gone,
But the things they had created were still there,
A suit of clothes and a gown walked arm in arm
With a dog at the end of a leash. The dog was there

And snarling. In the street, vehicular traffic
Flowed as usual but without drivers or riders.
Inside buildings, doors opened and closed.
Cigarettes smoked, telephones rang, receivers
Slammed as usual, and on television

Something of all this showed, but without people.
– The fifth of scotch went on diminishing.
Electric razors razed and revolvers fired
As usual. The things went through their paces
And seemed to be enjoying themselves hugely.

I longed to look in a mirror but did not dare.

JOHN PAUKER

a) an anathematizer of mass culture who writes almost exclusively for organs of mass culture; b) an admirer of High Art who gives nearly all his attention to the Middle and the Low; c) a proponent of an aristocratic view of cultural history which history will not support; d) an enemy of received ideas the crucial sectors of whose mind are manned by received ideas; e) a critic of literature who has almost no literary judgments to make; and f) a voluptuary of Culture who seems embarrassed by specific works of art.

To read Macdonald at intervals is to be deprived of the ripeness of his infatuation with Culture. Undertaken *seriatim*, however, his essays are heard to reverberate with the word the way Veblen echoes with "Leisure Class" or Martin Esslin with "Absurd." Culture is the air Macdonald breathes, the sea he swims in; revered, coddled, crooned to, continually snatched out of the jaws of the enemies who have stolen its name—Masscult, Midcult—Cultural Values do everything for Macdonald except inspire him to say anything new or life-giving about them.

If we could believe that he was really in love instead of merely being hung up, we might endure the obviousness for the sake of the charm. We all admire true passion and a lover's notions and utterances are not required to be original. So it is not unbearable to have to listen to such platitudes as these (the choice is boundless):

"... The tendency of modern industrial society... is to transform the individual into the mass man."

"We are an active, ingenious, pragmatic race, concerned with production rather than enjoyment, with

practicality rather than contemplation, with efficiency rather than understanding, and with information rather than wisdom."

"... A people which loses contact with its past becomes culturally psychotic."

"... Morality is qualitative, not quantitative, that is, not factual."

"The language of a people, like its art and literature and music and architecture, is a record of the past that has much to say to the present."

But when the tic turns into a species of epilepsy, so that even the vaunted style is flung into the most barbarous postures—"Since 1900 American culture has moved, culturally, in a direction that on the whole appears to be up"—we begin to suspect a deeper disease than parrot-fever. And confirmation arrives when Macdonald begins to put forward his solutions to the Problem of Culture in a Democracy; no mad general playing with toy armies was ever less in touch with reality.

"I see only two logical solutions," he writes, "a) an attempt to integrate the masses into high culture; or b) a contrary attempt to define two cultures, one for the masses and the other for the classes. I am for the latter." He is for this ringing nonsense because he is obsessed with restoring to the elite (the third most frequently encountered word in his vocabulary, after culture and masses) what it never possessed: absolute independence from the non-elite; an aesthetic life germinating in isolation, purity and high-mindedness while the plebs wallowed in their Masscult; a sense of itself, God help us, as the makers of a "culture," rather than, as is always the case where hypostatization has not yet set in, simply a number of works of art and intellect with one or another prevailing tone and weight.

It is just this notion that culture is produced by people who have set out implacably, and in the teeth of its enemies, to produce it, that leads Macdonald to his grossest formulations. The *avant-garde*, he writes, "made a desperate effort to fence off some area within which the serious artist could still function, to erect again the barriers that had been breached by the rise of

Masscult." And again, still inflamed by the notion that art is a defense against others, "our aim should be to restore the cultural distinctions that have become increasingly blurred since the industrial revolution... out of such attempts to do this as the 1890-1930 *avant-garde* movement of Joyce-Eliot-Picasso-Stravinsky has come whatever is alive in our culture today."

To complement this vision of the great modern creators—Pablo, T. S., Igor and James—standing shoulder to shoulder like a quartet of Hans Brinkers at the dike, Macdonald arranges another tableau from the literature of manifesto and the drama of the Pure but Embattled Few, that of "the new public for High Culture... insisting on higher standards and setting itself off—joyously, implacably—from most of its fellow citizens." The man who edited an anthology of parody clearly made a notable omission from his book.

And still the paradoxes mount. The *avant-garde* Macdonald is forever hawking *yesterday's* front echelon, hence safe now, unchallenged and back in the barracks eating a hot dinner. Again and again, though, he imagines them still under shot and shell, sometimes adding James or Proust or Kafka to their thin red line. But of the art of this moment, or even the moment that has just passed, he has almost nothing to say, beyond describing abstract expressionism as "enormous globs and gloobs," affixing a sticker reading "feeble highbrow novel" to *Under the Volcano*, putting down *Pale Fire* as a hoax and leaving Hemingway with a string of goose eggs and one cheap run, gained on "stylistic innovation," as his score. Only James Agee and Norman Mailer among artists born since 1890 seem to have the power of rousing Macdonald from his dream of the past.

Even so, one would think he might dream of doing more for his cultural heroes than ritually invoking them, that the love he professes might overflow into ardent, sustained, intelligent championing, or simple homage, or even a direct look at their work. But with the exception of Agee, on whom he has written with feeling, if over-appreciation (he once confronted *Moby Dick* with *Let Us Now Praise Famous Men*, then admitted reluctantly and with characteristic solipsism that the former

"UGANDA HAS declared Senator Ellender a 'prohibited immigrant' and forced him to cancel the Ugandoid portion of his tour. If Uganda thinks the legislator of a government that has gone \$302 billion into debt has little cause to sermonize upon administrative competence, Uganda may have a point; but if Uganda's pique derives from the principle that no man can visit a nation he has insulted, Uganda had better start searching for another place to put the UN."

For the current issue of NATIONAL REVIEW send 25¢ to Dept. R-4 150 E. 35 St., New York 16, N.Y.

"seems to me superior"), Macdonald never takes more than a sidelong auctioneer's look at his statuettes.

There is, to be sure, his essay on Joyce. A masterpiece of glossy irrelevance, it praises Joyce for being "a specialist with words" and of course for that finger against the flood, berates him for being personally obnoxious, includes a self-serving anecdote about his own meaningless encounter with the great man in 1932, says no more than two words about the works, and informs us that Richard Ellmann's biography – the pretext for the article – "weighs slightly over two pounds" and contains "2,421 reference notes by my count." No wonder he has not had time to do more than skim the books he says he admires.

But counting, weighing and measuring (we are made to know that the definition of the word "take" in Webster's *New International* is two feet eight inches) are part of the reductive process, the coy little research, the amassing of charming irrelevancies, that is the preliminary to the writing of every *New Yorker* essay and insures its domestication for the magazine's special kind of mass audience. For Macdonald, once a man who sought to free the lions, is now the man who tames them, whenever, that is to say, he can spare the time from taming mice. And though he avows his love for one and detestation of the other, there is a close equivalence between the kind and intensity of the passion, learning and intuition he brings to High Art and those he brings to the Middle and the Low.

It is an equivalence that derives from the fact that he feels nearly as uncomfortable in the presence of art as he does in its absence or in the presence of its counterfeits and parodies. A man who needs to feel supported (perhaps as a surrogate for his lost political faith) by the existence of Higher Cultural Values, narrowly based and exclusive – its very definition for him – is a man in a continual state of alarm at the situation below. That is why he is forever beating back the enemy, why he is so concerned to keep his shrine inviolate ("the special threat of Midcult is that it exploits the discoveries of the *avant-garde*"), why he cannot simply accept the truth that for the majority of men counterfeits are all that is

possible, and why he cannot have compassion for them. And it is his reason for refusing to let art take its risky, unchartable way.

Because he is deficient in the very qualities whose absence he decries in others – openness to the terrors and rigors and beauty of imaginative creation, a tragic sense, humility in the face of mystery, the capacity to identify and be enlisted by the new – and yet

cannot do without the name and banners of that redeeming army, he takes the sting and specificity and hard in-consolable actuality out of art by turning it into Culture. The most adroit of *cicerones* on glib, self-righteous journeys through the malfeasances of the new bibles, the *Encyclopedia Britannica*, James Gould Cozzens or Colin Wilson, he has yet to do more for art than give it a capital A.

MOVIES

Kingdoms of the Mind

The simultaneous arrival of *Freud* and *David and Lisa* forces a few comparisons. The former is a biographical film of the founder of psychoanalysis, the latter is about some young patients in a present-day institution founded on his work. The former is a long, expensive production with stars and is directed by John Huston; the latter is "normal" length, inexpensive, with no

Freud (Universal)
David and Lisa (Continental)

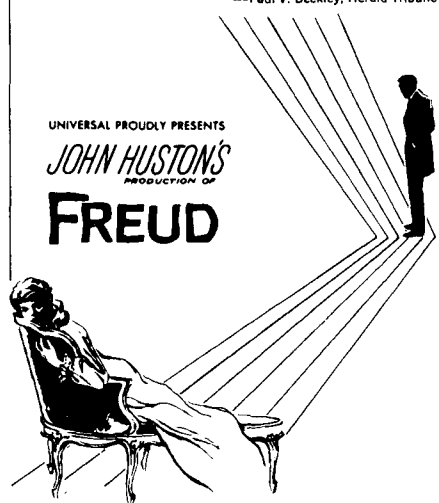
stars and a new director. The wary reader already suspects that the latter is the more successful film. Well, at least the big one is not just the usual phony Hollywood biography.

During World War II Huston made a much-respected Army documentary called *Let There Be Light* about psychoneurotic soldiers, and ever since he has wanted to make a film about Freud. About four years ago he began work on the project. Jean-Paul Sartre was involved for a while and, I am told, wrote a 700-page script; apparently none of it was used because he gets no credit. The final script was written by Charles Kaufman and Wolfgang Reinhardt. It deals with Freud's life only from 1885 to about 1900 and is thus, as Huston says, not a biography of Freud but of the birth of psychoanalysis.

The principal events are: the young Freud's disagreement with his teacher Meynert; his studies with Charcot in Paris (a scene nicely fashioned on the famous lithograph); his return to Vien-

na and marriage; his association with Breuer and his assumption of the case of Breuer's patient Cecily (based on the famous Anna O. with some complaints added to her long catalogue of ills); Freud's psychoanalysis of himself in conjunction with his treatment of Cecily; his discovery of the cornerstone

"A DARING, DRAMATIC AND FASCINATING FILM THAT EVERYONE WILL ENJOY!"—Bosley Crowther, *Times*
"SUPERB EXCITING DRAMA—A FILM TO SEE!"—Paul V. Beckley, *Herald-Tribune*



MONTGOMERY CLIFT
SUSANNAH YORK · LARRY PARKS
SUSAN KOHNER · EILEEN HERLIE

FERNANDO LÉDOUT · DAVID MCCALLUM · ROSALIE CRITCHLEY · DAVID KOSSOFF

JOSEPH FUNST · ALEXANDER MANGO · LEONARD SACHS

and co-starring ERIC PORTMAN

Screenplay by CHARLES KAUFMAN and WOLFGANG REINHARDT · Story by CHARLES KAUFMAN
Directed by JOHN HUSTON Produced by WOLFGANG REINHARDT · A UNIVERSAL PICTURE

NEW YORK CINEMA I CINEMA II
3rd Ave. at 60th St. Plaza 3-6022 3rd Ave. at 60th St. Plaza 3-0774

BEVERLY HILLS, CALIF.

Music Hall

WILSHIRE & DOMENY

theories of infant sexuality and the Oedipus complex; Breuer's falling-away; and Freud's determination to press forward alone.

Huston has directed with a clearer seriousness than he has shown in years and keeps most of the film immediate and graphic. Montgomery Clift (Freud) applies himself equally seriously but, unfortunately, still lacks the impact he once had; his former nervous intensity is sadly diluted. Although Larry Parks has little flavor, he is much better than one would have hoped as Breuer; it is a passable pedestrian performance. Eric Portman (who now sounds rather like Tallulah Bankhead—lisp on the letter 'r' and all) is properly baleful as Meynert. Susannah York is credibly mercurial and appealing as Cecily.

Douglas Slocombe's photography—with exteriors done in Vienna—is both delicate and dramatic. The dream sequences do not succeed, but no dream sequences have ever truly succeeded. We can identify with a lot of different emotions in films, but we can dream only our own dreams. The more we admire the evocative dream effects, the more our admiration hurts their purpose. I doubt that anyone has ever really felt in a dream while watching a dream sequence.

Seriousness and much skill, then; but for whom was this picture made? The educated adult who knows more about Freud's work than this film tells him will be amused by some of the inevitable simplifications. The yahoo movie fan will be bored by its ambitions as intellectual drama. But it would be wrong to conclude that it has no audience. *A Far Country*, a play that dealt much less adroitly and vividly with the same material, has found an audience in the theater. When I admitted my surprise about this to a man connected with the Broadway production, he said, "It's time for Freud on Broadway"; meaning, as he explained, that Freud had by now filtered down from the egg-heads' shelves to the coffee-tables of the nation. Bertolt Brecht had made the cover of *Time*, he said; why not a play on Freud for the theater parties?

This film will carry the fashion to an even wider audience. As is usual with specialized films, expert technical advice has kept it (so far as I can judge) from errors of commission. The only

real error is in implication: the impression that at the close the viewer understands Freud's accomplishments. Which is exactly what is wanted by the digest-readers who have only two hours to spare for the subject.

To me the picture's one real utility is for intelligent high school children. This swift glimpse of certain history-shaking events may spark them to learn more of the subject. For them and with the reservation that it is the merest introduction, parents may find the film commendable.

The chief hope for the improvement of the state of the American film is in the low-budget independent production, but most of them have been unsatisfactory. *David and Lisa* is not only the best of these independent productions that I have seen, it is a generally good movie by any standards.

It deals with a highly intelligent psychotic boy and a schizophrenic girl who meet in a boarding school for "disturbed" adolescents and who, through their mutual affection, are able to help each other. Beyond the validity of its environment and the various touching scenes of the story, its beauty is in establishing that these two communicate with each other by means of their afflictions: the way two veterans of a war are brought close together at once among strangers.

The screenplay by Eleanor Perry, from a book by Dr. Theodore Rubin, is gentle and straightforward except for its last episode. A conclusion was needed, but the girl's flight seems a trite and mechanical climax—as handled here. This is reflected, too, in Frank Perry's direction which is affectingly simple except in this episode. The girl running through the streets with a spotlight on her, the final high shot down through the museum columns, are "movie" touches. The scope of the film is narrow and it could be argued that the choice of subject is somewhat theatrically gimmicky. But, having chosen this subject, these film-makers have, on the whole, done well with it.

Praise must go to Keir Dullea, who made a noteworthy debut as the young convict in *The Hoodlum Priest* and who plays David with fine high-strung coltishness. Janet Margolin's role is easier but she performs it with competence and warmth. Howard Da Silva, moustached, is substantial as the doctor in charge although his role is trite. But then the kindly analyst is as straitened a role as the kindly priest. He has got to stand by patiently through the tantrums, eat chocolate cake at midnight with the boys, and feel no vanity when the troublesome fellow who hated him starts to love him. In life this man is priceless; in art he is predictable.

STANLEY KAUFFMANN

ARCHITECTURE

A New View from the Capitol

The first and most ambitious urban renewal program in the country—the rebuilt Southwest section of Washington, D. C.—is well on its way to becoming a prestige address for the younger and poorer members of the upward-mobile part of the Washington community. It will be another three or four years before Southwest will be as completed as any city is. There are now about 1,500 families living in a section which was razed to the ground and is still pretty badly ripped up. But there is already the promise of a truly attractive and urbane environment—even perhaps that rare intangible called atmosphere.

You get a good feeling for the sweep and boldness of the new Southwest Washington from the roof of its most recently completed apartment building, an elegant brick and concrete structure called Capitol Park Towers. It is just about in the center of the 560 acre redevelopment area between the Mall and the Washington Channel. It is hard to imagine that this area was a shameful slum ten years ago. To one side is a magnificent view of the city, dominated by the nearby Capitol. To the other is the river, with the countryside in the distant haze beyond.

Pierre l'Enfant, who planned the city,

had hoped that this lovely part of Washington would become its hub. George Washington encouraged his friends to live here in the shadow of the Capitol. But the city moved in other directions and when the railroads came, the area was on the wrong side of the tracks and deteriorated. The new expressway cuts an even wider, uglier gash between the Capitol and this, its most desirable residential hinterland. Unfortunately our busy highway engineers never find time to take a look at what their predecessors, the railway boys, have done to our cities.

In 1946 Congress resolved to do something about the blight at its doorsteps and established the Redevelopment Land Agency, or RLA, to launch and take charge of all Washington urban renewal. After years of bureaucratic hassles, two Washington architects, Louis Justement and Mrs. Cloethiel Woodward Smith, came up with a plan which was to transform a low-rent ghetto into a lively new cityscape which mixes all kinds of activities.

In its basic concept this is the plan now emerging. But quite naturally in the course of years of arguments, changes and compromises between Washington's innumerable agencies concerned with such things a good many things have happened to it. Some of them are sad.

The saddest change involves one of the most important ideas in the Justement-Smith concept, the Tenth Street Mall. It was to be a splendid and bustling esplanade, bridging both the railway and expressway and tying the isolated Southwest back to the city. Perhaps Tenth Street was never quite an ideal choice as it runs smack into the old Smithsonian Museum rather than across the Mall into the downtown area that it needs to tie into. But now that the Government Service Agency has apparently irrevocably decided to build one super-colossal office building across Tenth Street rather than two flanking it, this fine and logical idea is just about ruined. The view is blocked. And a street that is subjected to the indignity

of crawling under a massive government building is hardly an inviting gateway into a spanking new part of town. It certainly is no esplanade.

The plans for L'Enfant Plaza, too, have been considerably whittled down. It was to be the area's (if not the city's) new, festive show piece – an elegant urban space surrounded by an opera, a theater and concert and convention halls. This would truly have drawn people across the Mall and thereby made its green expanse a centerpiece rather than a borderstrip. Now the proposed new Cultural Center is to rise along the Potomac, near the Lincoln Memorial, where it will have little relation to the city. And L'Enfant Plaza is reduced to offices and a hotel to be financed by Mr. William Zeckendorf and to be designed by the architect I. M. Pei.

Sad to record, too, is the fact that Mrs. Smith lost her fight with the highway people to have the new expressway as close as possible to the railroad so as to cut up the area only once.

The residential part of the development, however, promises to turn out even better almost than either friends or foes of urban renewal had a right to expect. This is largely due to some happy ideas which had never been tried before, at least not on this scale. One of them is the gay mixture of low townhouses and tall apartment buildings. Highrise buildings must, of course, be spaced apart to allow light and fresh air. Up to now conventional planning wisdom, under the influence of Le Corbusier's ideas of forty years ago, demanded that the ground space between the highrise slabs be vast, useless and dull. They destroy any intimate feeling of neighborhood. In the Southwest, however, most of these spaces are filled with townhouses and the grounds are designed and landscaped so that people can and do use and enjoy them.

Another happy idea was the method of selecting developers. In most other urban renewal projects around the country the highest bid for land is the determining factor. It is hard and often impossible under this system to assure good architecture. Washington's Land Redevelopment Agency was just plain lucky with the developers and their architects for its first three parcels which were awarded in this manner – the financiers James Scheuer and Roger Stevens with Chloethiel Smith,

It divides a city, a world and the heart of mankind

Since the August night when the East Germans erected it, the Berlin Wall has dramatized the tragic meaning of the Iron Curtain, and its very presence instantly moved the world closer to the brink of general war. Here is the full story of the Wall arrestingly and authoritatively set forth by the authors of *The Berlin Crisis* and *The Kennedy Cabinet*. Here also is the full text of an exclusive interview with General Lucius D. Clay. \$4.50

THE BERLIN WALL

by DEANE and DAVID HELLER

Introduction by
KONRAD ADENAUER

WALKER AND COMPANY
10 West 56th St., New York 19

Write for free catalogue of outstanding public affairs books.

Is he a "national
disgrace,"
a "crypto-
Communist"
—or a patriot
and fighter
for peace?



Here, for the first time, is a full length portrait of an enigmatic man who must be understood if we are to understand many of the modern mysteries of India itself. "In view of current developments over India's China borders, this biography is a timely publication recommended for the general reader."—*Library Journal* \$5.00

KRISHNA MENON

by EMIL LENGYEL

NOTES ON CONTRIBUTORS

Richard Gilman is drama critic of *The Commonweal*. John Pauker's poem is from his new collection, *Serried Poems*.

EUROPE

An unregimented trip stressing individual freedom. Low cost yet covers all the usual plus places other tours miss. Unless the standard tour is a "must" for you, discover this unique tour before you go to Europe.

EUROPE SUMMER TOURS
255 Sequoia, Dept. N—Pasadena, California

A Perfect Gift
GOURMETS DELIGHT
Specialty Seafood Spaghetti Sauces
Lobster-Crabmeat Sauce
Shrimp Sauce
Red Clam Sauce

Simply heat and serve. Delicious on spaghetti, rice, omelets, hors d'oeuvres.

Send \$2.50 for three 3/4 lb. poly-paks.
DeAngelis Food Products, Hershey, Pa.
Postage paid.

EXPERIMENT WITH "SLEEP-LEARNING"
Self-hypnosis. Use your phonograph, recorder.
Fascinating, educational. Details free.
Sleep-Learning Research Association
Box 24-NR Olympia, Washington

I. Q. TESTS. Accurate, inexpensive. Home-administered, professionally interpreted. Research data needed. University Testing Institute, R-24, Box 6744, Stanford, California.

PEACE IS ONLY DEFENSE AGAINST ATOM BOMBS—Envelope Stickers and Larger Ones, Post Cards, dodgers—One Cent Each. Also Bumper Strips, Badges, Posters, Large Post Cards—10c Each. Eight other pungent Peace—Anti-War Slogans. PLENTYISM MAGAZINE (25c), 220 N.E. 37th St., Miami 37, Fla.

STUDENT TRAVEL STUDENTS CAN AFFORD 35 exciting itineraries, 35-60 land days, from \$660 (including transportation). U.S. National Student Association, Dept. RP, 20 West 38th Street, New York 18.

EMERSON COLLEGE, PACIFIC GROVE, CALIFORNIA: "lights often burn all night," *Time Magazine*; "exacting and exciting," Kenneth Woodroffe, *The Reed College Quest*; "to find a culture," Paul Goodman, *The Community of Scholars*. Winter classes beginning. Enrollment limited to 25. Write for our bulletin.

BRITISH SHOES FOR GENTLEMEN at a fraction of their American retail price! \$10.95 includes duty and import charges. Delivery in ten days from receipt of order. Money back guarantee. Write for free illustrated catalogue Steven Williams, Jr., Ltd., 40 Chatham Road, Short Hills, New Jersey.

Electrical man, age 33, employed, experience in sales, purchasing, instructing, engineering, maintenance, construction. Seeking new opportunity in major Eastern city. Box 25 New Republic.

AMAZING RATES, MAGAZINE SUBSCRIPTIONS, POPULAR, PROFESSIONAL
Box 124, Shrewsbury, New Jersey

"WILL FORMS"
Two Will Forms and Book on Wills.
\$1.00 Complete
National Forms, Box 48313NR
Los Angeles 48, Calif.

William Zeckendorf's Webb & Knapp with I. M. Pei and the Reynolds Metal Company with Charles M. Goodman. It then wisely decided not to push luck any further. For its remaining five projects the Agency fixed the price for the land and awarded the development contracts on the basis of competitions judged on design quality alone. It appointed outstanding juries who selected the most outstanding designs from a fairly large number of models and drawings submitted.

Some architects and planners object to the resulting variety show of architectural talent. But to have the whole area designed by one man or under one design directive, as I. M. Pei proposed some time ago, would have been rather monotonous. Atmosphere and interest can not be created. It emanates from clash and contrast and the accidental. At any rate, Mr. Pei's own Town Center apartment slabs seem to be the least appealing of the already completed residential project. They are flat-chested, stiff and over-formal glass boxes on stilts, rather awkwardly framed in timidly sculptured concrete. Two of them is plenty.

Chloethiel Smith of Satterlee and Smith, in contrast, has given her Capitol Park apartments an unusually rich and colorful facade, made dramatically sculptural with gaily jutting balconies. If anything, she errs on the side of lavishing a little too much loving attention on her buildings. But she does so always with impeccable taste and with rare concern for her occupants. Her skillfully arranged, pastel-colored townhouses are simple in design. They blend well into the total ensemble and the landscaping by Dan Kiley which miraculously manages to look as though it had always been there. Seldom if ever, this side of Scandinavia, has a landlord enhanced rental housing with as many handsome sculptures, fountains, pools, lamps, benches, pavements, and such as did Messrs. Scheuer and Stevens. It all adds up to a delightful environment.

Charles M. Goodman's River Park, a cooperative sponsored by the Reynolds Metal Company is by far the most stunning design of its kind not only in this area but probably in the country. It consists of a huge striking ensemble of a black and silver apartment building hovering over a tight cluster of 134

townhouses. There is nothing subdued about it. Like a stage set, and a highly original and creative one, these buildings strive for effect, for emotional impact. But there is no reason why architecture shouldn't do this if it comes off. This does. The apartment is just a bit flashy with all that gleaming aluminum screening. But the compact cluster of townhouses with their white barrel-vault roofs is enchanting and full of surprises. A sudden balcony here, an unexpected vista there. With its pedestrian alleys and cozy, miniature town-square it reminds you a little of a medieval town. It is art but it works architecturally, as an environment with a strong character of its own. The cars disappear on the scattered parking lots. Tiny but comfortable patios are fitted into limited space. Everything here has an intimate scale that makes people seem to be as big and important again as they were in the old villages and small towns. The architects' word for this is "human scale." Reynoldsburg-on-the-Potomac will surely and rightly set a new trend in townhouse design.

So far, the half-completed shopping center, mercifully drowned in a sea of parked cars, is by far the most pedestrian bit of architecture in the area. Under the original plans it was to be doubled, flanked by office buildings and declared a Town Center. It would have been just as dull and dead as any such affair in suburbia. But here is another happy innovation. Phil A. Doyle, director of the RLA, has just recently announced that restaurants, stores, offices and apartments will be allowed to blend into a happier and more exciting design. This is unheard of in this country where it has so far been considered Un-American to live above a grocery store.

But the most promising contribution of the new Southwest will be its redeveloped waterfront. This is an important feature of the original Justement-

INDISPENSABLE for a
FACTUAL UNDERSTANDING
of Today's World and What's to Be Done!

Subscribe to
THE WESTERN SOCIALIST
Dept. NR

11 Faneuil Hall Sq., Boston 9, Mass.
\$1 for 8 issues; \$2 for 18 issues

In recent issues: Cuba—An Object Lesson; China and India; Pacifism vs. Socialism; Is Russia Different?; European Common Market; That "Balance of Payments"; Medicare; Scandinavian "Socialism."

Smith proposal and is now being designed by Mrs. Smith. Her aim is to recreate — and more — the happy, smelly bustle of the fisherboats and fish markets, the restaurants and stalls that had to be cleared because the bulkheads and piers were rotting and the shoreline began to slip into the Channel. She thinks of a promenade lined with trees and benches and gay pavilions, a place where people can do all kinds of things or just watch other people do them. She thinks of a place which, like Copenhagen's famous Tivoli, draws people from all over town; a place that is "lots of fun." And that, after all, is what a city should be. WOLF VON ECKARDT

Correspondence

Parole for Sobell

Sirs:

I heartily commend your forthright November 24 note urging parole for Morton Sobell, now in his thirteenth

year in prison. But may I correct some technical errors? The late Judge Samuel Kaufman should not be blamed for the trial and the outrageous sentences. That "distinction" belongs to Judge Irving R. Kaufman, now sitting on the Appeals Court for the Second Circuit. Junius Scales was convicted under the membership clause of the Smith Act, rather than for "not registering." Registration is part of the McCarran Internal Security Act, and several such cases are now pending for the first time.

Aaron Katz
Brooklyn, N. Y.

The editors regret the errors, and further regret the misleading statement that Junius Scales left the Communist Party before being indicted. Scales was indicted in 1954 and left the party only in 1957. However, he was imprisoned as a result of a retrial which took place in 1958, a year after he had left the party.

On December 25, 1962, President Kennedy commuted Scales' sentence to the time which he has already served, thereby freeing him from prison.

Undue Optimism

Sirs:

Alexander M. Bickel says (in "Civil Rights," December 15) "the point has been reached where Attorney General Kennedy could report this fall that 'virtually every airport' as well as bus and railroad stations throughout the Southern states have been desegregated." The fact is that although the "White" and "Colored" signs have come down in many (but by no means all) Southern bus stations, Negroes still are often refused service in bus-station lunchrooms and are barred the use of "White" restrooms.

One of my students tells me that he is used to traveling hundreds of miles by bus between his home in North Carolina and Tuskegee Institute without a hot meal because he refuses to eat in the dingy holes reserved for Negroes and he cannot get service at the other lunch counters. Another student from east of Atlanta reports that the only fully desegregated bus station in over 200 miles is the one in Atlanta.

Elizabeth Keen
Tuskegee Institute

Any Book

Out-of-print books located—no matter how old or long out-of-print. Name the book—we'll find it for you! (Title alone is sufficient.) All authors, subjects. Fiction, nonfiction. No obligation.

Books-On-File
Dept. NEW Union City, N.J.

SUMMERLANE CAMP

Combines the freedom, creativity, love and joy of Summerhill with the social ethics and strength of work communities.

Room 811, 225 Lafayette, New York 12

JAPANESE WOODCUT PRINTS

Masterpieces by Sharaku, Hiroshige, Utamaro, Hokusai, etc.

Accurately reproduced by hand-carved woodblocks using exactly the same materials as originals.

Full-scale; museum-authenticated
Illustrated pamphlet listing over 250 titles,
\$1.00 by airmail, 25c by seairmail
Adachi Institute of Woodcut Prints

CPO Box 362
Tokyo, Japan

ORIGINAL SIGNED WOODCUT CALENDAR 1963

Twelve Illustrations — American

\$6 Postpaid

Barbara Innes

5358 Arrow Highway
Montclair, California

SUBSCRIPTION AGENTS WANTED—Liberal commissions, other benefits. Journals and magazines from left to right. Free brochure. Laird Wilcox, Box 42, Topeka, Kansas.

REMAINDERS: POETRY, &c

Gresser: *Coming of the Atom*

Hedley: *Poems for a Passport*

Singer: *Book of Antique Ornaments*

Larsen: *Notes from a Machine Shop*

Emergent 4 (Patchen, etc.)

50c each; 5 for \$2.00

Goosetree, Box 1553, Washington 13, D. C.

L'EXPRESS

The leading liberal newspaper in France today.

Send 25c for your sample copy.

Howard Publications

Room 503

1475 Broadway

New York 36, N.Y.

Let us MAKE YOUR OPINIONS COUNT

Let us SEND THEM TO EVERY CONGRESSMAN

Let us do this for 33 cents a month

ACOPOLL, Inc.,

Box 8117 S.W. Station Washington 24, D. C.

HAVE YOU OUTGROWN GODS, SAVIORS AND SUPERNATURALISM?

Is all your concern for people? Then you're a HUMANIST! Welcome to AMERICAN HUMANIST ASSOCIATION; local chapters, publications. Send \$1 for three-month trial membership (\$5 for year):

AMERICAN HUMANIST ASSOCIATION
Dept. NR, Yellow Springs, Ohio

Printed by National Publishing Co.,
301 N St., N.E., Washington 2, D. C.



CONTROVERSIAL BEST SELLER!

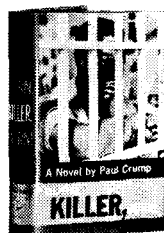
"It is a book that should have been written and should be read"
CHICAGO SUN-TIMES

"A shocking, vital book . . . written with sensitivity and skill"
CHICAGO'S AMERICAN

"Crump writes of the ghetto so vividly and bitterly"
CHICAGO DAILY NEWS

BURN,
KILLER,
BURN!

BY PAUL
CRUMP



\$4.95 AT ALL BOOKSTORES

JOHNSON PUBLISHING CO., INC.
1820 S. MICHIGAN AVE. • CHICAGO 16, ILL.

Any one of these valuable reference works **FREE**

Combined retail values up to **\$35.50**

THE distinguished reference works pictured here speak for themselves to anyone who knows good books. Although their list prices are as high as \$24.00, you may have your choice *without charge* if you act now, while there is still a supply.

Ranging from the excitement of contemporary drama to a massive set that surveys the major religions of the world, any of them will be a worthy and useful addition to your home reference shelf. They are, furthermore, a vivid demonstration of the high quality of selections that The Book Find Club makes available to members month after month, at substantial savings.

Look at the books listed at the bottom of the page, all recent Book Find Club selections. You will notice that they are books of current interest and lasting value. Then, compare their prices. Isn't it altogether likely that you will want four more such books during the next year—at savings as high as 40%—from the more than 100 selections and alternates that will be offered to you as a member?

Moreover, after your introductory agreement is completed, you may have a *free bonus book* of your own choosing after every third selection that you take.

Why not begin your membership today? Simply choose your first selection from the books listed below. And receive the reference work you want *free*, as an introductory gift.

MASTERS OF MODERN DRAMA, edited by Haskell M. Block and Robert G. Shedd. A lavish, oversize collection of 45 of the world's great modern plays—with 85 photographs—including Ibsen, Strindberg, Chekhov, Shaw, Yeats, O'Casey, Pirandello, Cocteau, Lorca, O'Neill, Odets, Saroyan, Giraudoux, Anouilh, Sartre, Camus, Brecht, Wilder, Williams, Miller, Chayefsky, Osborne, Beckett, Ionesco, Frisch, and many others. Retail \$14.95.

THE WORLD OF LAW, edited by Ephraim London. From the writings of judges and lawyers, novelists and playwrights, philosophers and prophets, here is an exciting library of literature about and in law. Among the 90 authors represented are: Douglas, Camus, Hand, Faulkner, Brandeis, Miller, Cervantes, Frankfurter, Gandhi, James, Rabelais, Swift, Shaw, Zola, and Holmes. Retail \$17.50.

GREAT RELIGIONS OF MODERN MAN. The major religions of today's world—their traditions, meaning, and contemporary significance—presented in authoritative commentaries and selections from their great writings. Retail \$24.00.

THE NEW CENTURY CLASSICAL HANDBOOK. An encyclopedic reference to the complete cultures of ancient Greece and Rome. The contents include art, architecture, law, archaeology, drama, history, government, legend, myth, medicine, astronomy, philosophy, biography, and religion. Retail \$15.00.

THE GREAT AGES OF WESTERN PHILOSOPHY. Writings by the Western world's great thinkers and accompanying commentaries show the development of philosophy from St. Augustine to Hegel, Kant, Nietzsche and Kierkegaard, to James, Russell and Sartre. Retail \$15.00.



Retail
\$15.00



Masters of
Modern Drama

Retail
\$14.95

Retail
\$17.50

Retail
\$24.00

Retail
\$15.00

Begin Your Membership with any of These Outstanding Recent Selections

THE WARFARE STATE, Fred J. Cook. Retail \$4.95. Member's price \$3.95.
AGAINST THE AMERICAN GRAIN: Essays on the Effects of Mass Culture, Dwight Macdonald. Retail \$6.50. Member's price \$4.95.
THE OTHER SIDE OF THE RIVER: Red China Today, Edgar Snow. Retail \$10.00. Member's price \$6.95.
PALE FIRE, Vladimir Nabokov, author of *Lolita*; and **LETTERS OF JAMES AGEE TO FATHER FLYE**. Combined retail price \$10.00. Member's price \$5.95.
THE CITY IN HISTORY, Lewis Mumford. National Book Award winner. Illus. Retail \$11.50. Member's price \$6.95.
THE FOX IN THE ATTIC, Richard Hughes; and **THE HIDDEN REMNANT**, Gerald Sykes. Combined retail price \$8.95. Member's price \$5.95.
THE BASIC WRITINGS OF BERTRAND RUSSELL, Egner, Denonn, eds. 736 pp. Retail \$10.00. Member's price \$5.95.
LETTING GO, Philip Roth. Retail \$5.95. Member's price \$4.95.
THE CHILDREN OF SANCHEZ: Autobiography of a Mexican Family, Oscar Lewis. Retail \$7.50. Member's price \$5.50.
CATCH-22, Joseph Heller; and **THE RISING GORGE**, S. J. Perelman. Combined retail price \$10.45. Member's price \$5.95.
THE MASKS OF GOD: PRIMITIVE MYTHOLOGY, Joseph Campbell. Retail \$6.00. Member's price \$4.50.
THE MASKS OF GOD: ORIENTAL MYTHOLOGY, Joseph Campbell. Retail \$7.50. Member's price \$5.50.
IDENTITY AND ANXIETY: Survival of the Person in Mass Society, Stein, Vidich, White, eds. Retail \$7.50. Member's price \$4.95.

THE BOOK FIND CLUB

215 Park Avenue South, New York 3, N. Y.

You may enroll me as a member of the Book Find Club and send me the **Free** reference work of my choice, with my first selection at the special member's price (plus postage and handling). I agree to take at least four additional selections—or alternates—in the next twelve months. When my initial commitment has been fulfilled, I will be entitled to a **free bonus book** of my own choosing after every third selection that I take. I am to receive each month without charge the **Book Find News** containing an authoritative review of the forthcoming selection and descriptions of all other books available to me at special member's prices. This will enable me to make my own choice; if I do not want the selection announced I can return your form saying "send me nothing" or use it to order another book from the more than 100 current choice titles offered. I may cancel my membership at any time after purchasing the four additional selections or alternates.

Free Reference Work: _____

First selection: _____

Mr. _____

Mrs. _____

Miss _____

Address _____

City _____ Zone _____ State _____

Canadian address: 105 Bond St., Toronto 2, Ontario B62-19